

**BY ORDER OF THE
SECRETARY OF THE AIR FORCE**

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Services

**NONAPPROPRIATED FUND GROUP LIFE
AND ACCIDENTAL DEATH AND
DISMEMBERMENT PLAN**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This instruction implements AFPD 34-3, *Nonappropriated Funds Personnel Management and Administration*. It gives the requirements and procedures for managing and administering the Air Force Nonappropriated Fund (AFNAF) Group Life and Accidental Death and Dismemberment Insurance Plan (AFNAF Group Life and AD&D Plan). It requires the collection and maintenance of information protected by the Privacy Act of 1974 authorized by Title 10, United States Code, Section 8013. System Of Records Notice F065 AF SVA B, Nonappropriated Fund (NAF) Employee Insurance and Benefits System File, applies. This instruction applies to all active duty military, Air National Guard, and Air Force Reserve members participating in the program. The reports in this instruction are exempt from licensing in accordance with (IAW) AFI 33-324, *The Information Collections and Reports Management Program; Controlling Internal, Public, and Interagency Air Force Information Collections*. This AFI may be supplemented at any level, but all supplements that directly implement this Instruction must be routed to AF/A1S for coordination prior to certification and approval. Refer recommended changes and questions about this publication to the Office of Primary Responsibility (OPR) using the AF Form 847, *Recommendation for Change of Publication*; route AF Form 847s from the field through the appropriate functional chain of command. Ensure all records created as a result of processes prescribed in this publication are maintained IAW AFMAN 33-363, *Management of Records*, and disposed of IAW the Air Force Records Disposition Schedule (RDS) located at <https://www.my.af.mil/afrims/afrims/afrims/rims.cfm>.

SUMMARY OF CHANGES

Section A- Program Overview

This document has been substantially revised and must be completely reviewed. Major changes include: determining eligibility for participation, (paragraph 5), Leave With Out Pay, military furlough, conversion of group life insurance to an individual policy, performing routing audits and monitoring/acting on employee premium arrearages/shortages; counseling (paragraph 6), including HRO discussing plan benefits with employees; and actions of the Shared Service Center (SSC) (paragraph 7).

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1. Definition. The AFNAF Group Life and AD&D Plan is a commercially insured plan providing basic life and AD&D coverage for eligible AFNAF civilian employees. The cost of the plan coverage and administrative expenses of the Air Force Insurance Fund (AFIF) are paid using employee and employer contributions deposited into the AFIF. The Plan offers two levels of family-member life insurance for which an employee pays 100% of the cost. The Plan also provides basic life coverage for eligible former employees and retirees who meet the minimum age/participation criteria, and in some cases, service requirements. The AD&D portion of an employee’s basic coverage ends when the person separates from NAF employment or otherwise becomes ineligible for the Plan. Family-member life coverage, if in effect, may be converted to an individual policy with the Carrier in accordance with this AFI. Participation in the Plan is voluntary.

2. Purpose. The Plan provides a means for employees to maintain a measure of security for themselves and their beneficiaries in the event of death or accidental injury.

3. Management and Administration.

3.1. The Headquarters, Air Force Services Agency (HQ AFSVA) Insurance Branch provides general oversight, program management, and day-to-day administration of the Group Life and AD&D Plan for covered participants and their dependents and publishes instructional materials as required. The HQ AFSVA Insurance Branch also manages the continuing coverage program for eligible former employees/retirees and serves as their Human Resources Office (HRO).

3.2. The installation HRO performs routine base-level administration of the Plan as instructed by the HQ AFSVA Insurance Branch, this AFI, and the Carrier's Summary Plan Description (SPD).

3.3. The HQ AFSVA Shared Service Center (SSC) Payroll Branch processes the collection of employee and employer contributions associated with plan participation as instructed by AF Services Financial Management System (AFSFMS) payroll procedures.

3.4. The Carrier performs tasks concerning administration of the AFNAF Group Life and AD&D Plan. The Carrier provides customer service functions; reviews and pays claims; and provides information and assistance on premium setting and reserve funding. The Carrier also provides expert advice on group life and AD&D benefit management matters; establishes SPD content and publishes and distributes SPDs. The Carrier develops and prints employee communications; provides ongoing administrative and technical support on eligibility and enrollment issues, claims filing and payments, disability cases, and continuing coverage matters; and provides evaluation reports on group life and AD&D coverage.

4. Obtaining Information.

4.1. HROs should forward technical questions, requests for additional supplies and information, and comments pertaining to the management and administration of the AFNAF Group Life and AD&D Plan to the HQ AFSVA Insurance Branch.

4.2. Direct inquiries related to the filing, status, or payment of claims to the Carrier using the point of contact information (e.g., phone, fax, e-mail, or website) provided by the HQ AFSVA Insurance Branch.

4.3. SPD. The term refers to the Group Life and AD&D benefits information booklet related to eligibility, covered and excluded benefits, continuing coverage programs, and other plan-related information.

Section B - What People Do

5. HRO Responsibilities. Properly administer the Plan by following instructions in this AFI, and/or administrative guidance provided by the HQ AFSVA Insurance Branch or Carrier. The HRO will enroll eligible employees/dependents in the plan, counsel employees in the following areas, and any other relevant subject matter in this AFI, as it pertains to the AFNAF Group Life and AD&D Plan.

5.1. Determine Eligibility for Participation. Employees may voluntarily enroll in the Plan and choose not to enroll in the DoD Health Benefits Program (DoD HBP) or any other benefit program. In this case, there is no requirement for employees to enroll in a retirement plan in order to qualify for post-retirement life coverage. Employees do not need to retire on an immediate annuity to qualify for retiree (continuing) life coverage. The HRO should counsel eligible employees about the future benefits a pension plan might pay later on and encourage them to join the AFNAF Retirement Plan as a basic means of financial security and protection for themselves and family. Additionally, employees must first enroll in group coverage for themselves before they may enroll any eligible dependents in family-member coverage. The requirements below, and those listed in the SPD establish the eligibility criteria for participation in the AFNAF Group Life and AD&D Plan.

5.2. Employee. To be eligible, an employee must be a US civilian, employed in a regular category and paid on the US dollar payroll, working a minimum of 20 hours per week. If employed outside the US, the employee must be a citizen or a permanent resident of the US, as defined below. Off-duty US military persons holding a regular AFNAF appointment are also included. Flexible employees, who have temporary or sporadic duties 0-40 hours per week and may be scheduled in advance or called in as needed, are not eligible for coverage in this plan. No person may be covered as an employee and dependent, and no person may be covered as a dependent of more than one employee. Life insurance may be continued for eligible former employees and retirees if they meet the required criteria. Refer to the SPD for definitions of eligible "employee" and "former employee/retiree."

5.2.1. Citizen means all persons born or naturalized in the US and subject to the jurisdiction thereof.

5.2.2. Permanent resident refers to a status that an alien may apply for, and if granted permanent resident status, receives a resident alien card.

5.3. Dependent. To be eligible, a dependent must be a covered employee's spouse, including a common-law spouse in states that recognize common-law marriage; an unmarried child 14 days old but less than 19 years of age; an unmarried child age 19 but less than 23 years of age who is a full-time student dependent; or a handicapped dependent child.

5.3.1. Refer to the SPD for definitions of eligible "dependent" and "child" as well as special coverage rules pertaining to married NAF employees. Parents of employees are excluded from coverage under the Plan.

5.4. Eligibility Following Employee Move from Appropriated Fund (APF) Position to a NAF Position (Portability Move). Life insurance is not portable, regardless of an employee's retirement system election. APF employees who move to NAF positions (whether involuntary or voluntary) may elect to enroll in the AFNAF Group Life and AD&D Plan within 30 days of appointment to a NAF position. They may not remain in the Federal Employees Group Life Insurance (FEGLI) Program. Contact the HQ AFSVA Insurance Branch for special guidance on processing a portability-related enrollment under the AFNAF Group Life and AD&D Plan.

5.5. Portability Move from NAF to APF Position. Under the AFNAF Group Life and AD&D Plan, there is no requirement for an automatic 31-day extension of life insurance coverage when an employee moves from a NAF position to an APF position. However, if a former plan participant (employee/dependent) passes away during the 31-day period immediately following an employee's portability move to APF employment, a death benefit may be payable. For more details, see the conversion section in the SPD.

5.6. Counseling Employees On Plan Provisions. Describe the plan provisions and types of coverage in the SPD and answer related questions so employees can make an informed decision about enrolling in the Plan. Provide the employee with a SPD upon enrollment. *(Go to the HQ AFSVA website for an electronic version of the AFNAF Group Life and AD&D Plan SPD or request a copy through the HQ AFSVA Insurance Branch.)* Employees are responsible for accuracy of deductions and timely reporting of errors or status changes on their Leave and Earnings Statement (LES) to the HRO for prompt resolution. This is especially important after certain life-changing events such as marriage, birth/adoption of a

child, divorce, death, etc. Depending on the status change, the employee/HRO may need to complete additional enrollment, beneficiary, or discontinuance forms and/or make an adjustment to the employee's payroll deductions using AF Form 2545, *NAFI Notification of Personnel Action*, in the Defense Civilian Personnel Data System (DCPDS). Advise employees to routinely (or at least annually) check their beneficiary designation information at the HRO so that in the event of death, the Carrier will pay benefits according to the employee's wishes.

5.6.1. Basic Life and AD&D Coverage. The Plan provides basic life insurance for insured active employees and their covered dependents, including former employees/retirees who qualify for continuing coverage under the retiree life program. The AD&D portion of coverage pertains only to insured active employees. See the SPD for more details.

5.6.2. Basic Life Coverage. The Carrier pays a death benefit to a beneficiary when it receives written proof that a covered employee, dependent, or a former employee/retiree died while the insurance was in force. The life benefit is payable for all causes of death.

5.6.3. AD&D Coverage. The Carrier pays an AD&D benefit if a covered active employee loses life, limb, or sight due to an accident. Accidental Death benefits are paid to a designated beneficiary; dismemberment benefits are paid to the insured employee. AD&D coverage does not pertain to covered dependents of insured employees nor former employees/retirees enrolled in continuing coverage. See the SPD for other coverage exclusions.

5.6.4. Reporting Life and AD&D Claims to the Carrier. HROs and the HQ AFSVA Insurance Branch will submit valid Life/AD&D claims on covered plan participants to the Carrier using its electronic e-claim system reporting procedures. Contact the HQ AFSVA Insurance Branch for the required AF claim forms and additional guidance, if necessary. The Carrier will correspond with the designated beneficiary or the insured employee, as required, to obtain a certified death certificate and other documents needed to pay the claim. HROs and the HQ AFSVA Insurance Branch can check the status of claims online at the Carrier's website or by calling the Carrier directly.

5.6.4.1. Processing AF Form 2545 Separation Action Due to Employee Death. Process an AF Form 2545 (separation action) in DCPDS to generate an automatic cancellation of the deceased employee's coverage and payroll deductions.

5.6.5. Family-Member Life (FML) Coverage. An employee must be insured under the Plan first before eligible dependents may be enrolled in FML coverage. Eligible employees may choose between two FML options, as explained below.

5.6.5.1. Low Option. Spouse coverage is \$5,000 and dependent child coverage is \$2,500 for each covered child.

5.6.1.2. High Option. Spouse coverage is \$10,000 and dependent child coverage is \$5,000 for each covered child.

5.6.1.3. Initially Electing FML Coverage. An eligible employee may elect coverage for himself/herself and eligible dependents under the Plan within the initial 30-day waiting period following regular appointment or reclassification to an eligible

employment category. The employee and HRO must complete an enrollment card before coverage can take effect. If the employee completes the enrollment card within the 30-day waiting period, coverage for the employee and his/her dependents will be effective on the 31st day after appointment or reclassification. The HRO notifies the HQ AFSVA SSC of the employee's group life election/payroll deductions on AF Form 2545 in DCPDS using the applicable plan code provided by the HQ AFSVA Insurance Branch. File the enrollment card in the employee's Official Personnel Folder (OPF).

5.6.1.4. Special Rules For FML Coverage For Married NAF Employees. If both parents are NAF employees of a child(ren), and they qualify as eligible employees under the group plan, only one parent may elect FML coverage to cover the child(ren) only. If married NAF employees do not have eligible children, one employee may cover the other spouse as a dependent under FML coverage only if the other spouse is employed in an ineligible (flexible) employment category. *(If the other spouse changes to an eligible (regular) category, the married NAF employee who is carrying the spouse under the FML option must cancel it as instructed below.)* No person may be covered as an employee and dependent under the same policy, and no person may be covered as a family member of more than one employee.

5.6.1.5. If the spouse being carried as a dependent under FML later qualifies for coverage on his/her own as a regular employee under the Plan, FML coverage must be terminated. In this case, the married NAF employee carrying the FML coverage must complete/sign a discontinuance card; file the card in the employee's OPF. The effective date of FML cancellation is the date the spouse converts to a regular category. Process an AF Form 2545 within DCPDS to notify the HQ AFSVA SSC of the married employee's change in insurance coverage, as instructed in this AFI (*paragraphs 9. through 9.1.1.*). Enroll the newly-eligible spouse in the group plan as discussed in this AFI (**paragraphs 7. through 7.1.3**) with one **EXCEPTION**: the effective date of coverage for the newly-eligible spouse is the date of the category change to regular (we waive the 30-day waiting period in this case).

5.6.1.6. Electing or Increasing FML Coverage Upon Family Status Change. Certain family status changes (marriage or birth/adoption of a child) allow an enrolled employee in the Plan either to elect FML coverage or to increase the amount of FML coverage (go from low to high option) without first being required to submit evidence of insurability (EOI) to the Carrier. The employee must act within 30 days of the family status change by completing an enrollment card at the HRO. If the employee completes the enrollment card to elect or increase FML coverage within the 30-day dependent special enrollment period, the effective date of the FML election will be the date of the status change (qualifying event). **NOTE**: Regardless if the employee is enrolling in FML within 30 days of marriage, or within 30 days of the birth, adoption, or placement for adoption of a child, the dependent coverage will apply to all eligible family members. The HRO notifies the HQ AFSVA SSC of the employee's FML election/payroll deductions using AF Form 2545 within DCPDS. File the enrollment card in the employee's OPF.

5.6.1.7. Decreasing FML Coverage. An employee may choose to decrease FML coverage from the high option to the low option anytime. However, before the

decrease in FML coverage can take effect, the employee and HRO must complete a new enrollment card reflecting the coverage change to the low option. The HRO notifies the HQ AFSVA SSC of the employee's decrease in FML coverage/payroll deductions using AF Form 2545 within DCPDS. File the enrollment card in the employee's OPF.

5.6.1.8. Discontinuing (Cancelling) FML Coverage. An employee may discontinue FML coverage anytime. However, it is the employee's responsibility to inform the HRO when to cancel FML coverage; otherwise, if the employee fails to timely notify the HRO to terminate FML coverage, he/she will erroneously pay for coverage which does not exist. (If that occurs, the HQ AFSVA Insurance Branch will review the employee's situation to determine if a refund is due.) Before the discontinuance (cancellation) of coverage can take effect, the employee and HRO must complete a discontinuance card and file the card in the employee's OPF. The HRO notifies the HQ AFSVA SSC of the employee's cancellation of FML coverage/payroll deductions using AF Form 2545 within DCPDS. Below are some examples to help you determine the appropriate FML cancellation date.

5.6.1.8.1. The effective date of the FML cancellation is determined by the reason for the discontinuance. Examples are: (1) If the employee covered only one dependent under FML, and if the covered dependent passed away, the effective date of cancellation is the date of death of the family member; or (2) if the employee covered only one dependent under FML, and the family member no longer meets the dependent definition under the Plan (e.g., divorce, or child reached maximum age or is no longer a full-time student), the effective date of cancellation is the date of the status change; or (3) if the employee voluntarily cancels FML coverage, the effective date of cancellation is the date he/she signs the discontinuance card; or (4) if the employee is on leave-without-pay (LWOP) and fails to pay required premiums, the effective date of cancellation is the first day of the pay period immediately following the pay period in which the employee defaulted on his/her group life premiums; or (5) FML ceases on the date the employee is no longer covered or eligible under the Plan (e.g., upon separating from NAF employment or changing to an ineligible employment category). See the SPD for more details.

5.6.1.9. Reinstating FML Coverage. An employee who previously canceled FML coverage may be able to reinstate it, provided the family member meets the dependent's definition described in the SPD and the family member also submits approved EOI to the Carrier. Follow the instructions for Late Enrollment EOI in this AFI (see [paragraphs 7.2 through 7.2.6](#)).

5.6.1.10. Reporting FML Claims to Carrier. The Carrier pays a death benefit to the insured employee when it receives written proof that the covered dependent died while FML coverage was in force. Report family-member death claims to the Carrier using the guidance shown in paragraph 6.2.3 of this AFI. In this case, the Carrier will correspond with the insured employee to obtain a certified death certificate and other documents needed to pay the FML claim. The HRO will check with the employee to determine if he/she has any other eligible dependents covered under FML. If so, the employee's FML coverage should remain in force and payroll deductions should

continue as normal. Otherwise, if there are no more eligible dependents remaining under FML, notify the HQ AFSVA SSC to cancel the employee's FML coverage and payroll deductions as instructed below. Lastly, the HRO should have the employee review (and update, if necessary) his/her beneficiary designation information while at the HRO.

5.6.1.10.1. Processing AF Form 2545 in DCPDS to Stop FML Payroll Deductions. Follow the discontinuance instructions in paragraphs 6.3.7 through 6.3.7.1 to notify the HQ AFSVA SSC of an employee's cancellation of FML coverage/payroll deductions using AF Form 2545 in DCPDS.

5.7. Effective Date of Coverage and Payroll Deductions.

5.7.1. Regular employees may enroll in the Group Life Plan during the first 30 days after their NAF hire date or reclassification to an eligible (regular) employment category. Coverage is effective the first day immediately after serving a 30-day waiting period (i.e., on the 31st day after hire or reclassification), provided the employee completes and returns an enrollment card during that time to the HRO. Payroll deductions begin with the first day of the pay period in which the employee's coverage is effective.

5.8. Processing Enrollment Elections. Enroll eligible employees/dependents in the Plan according to the guidance below:

5.8.1. Timely Enrollment – Enrolling During 30-Day Waiting Period. The employee must timely request life coverage through the HRO within the 30-day waiting period, i.e., within 30 days of his/her regular appointment or reclassification to an eligible employment category:

5.8.1.1. The employee and HRO must complete an enrollment card and a beneficiary designation card. Advise the employee to keep beneficiary designations current because the Carrier will pay death benefits to the individual(s) or party(ies) listed on the most current beneficiary card. File the two cards in the employee's OPF.

5.8.1.2. Inform the employee that coverage is effective the first day immediately after serving the 30-day waiting period (meaning, on the 31st day after hire or reclassification), and that payroll deductions begin in the same pay period coverage becomes effective. Also advise the employee that he/she is responsible for accuracy of deductions and timely reporting of errors or status changes on his/her LES to the HRO for prompt resolution.

5.8.1.3. Process AF Form 2545 to Start Payroll Deductions. Process an AF Form 2545 within DCPDS to start payroll deductions for group life premiums effective on the 31st day after hire or reclassification; use the applicable plan code provided by the HQ AFSVA Insurance Branch. File a copy of the personnel form in the employee's OPF.

5.8.2. Late Enrollment EOI—Enrolling After 30-Day Waiting Period. To enroll an eligible employee and/or dependent who requests coverage in the Plan after the 30-day waiting period (*late entrant*), follow the instructions below:

5.8.2.1. The employee/dependent and the HRO must complete the designated sections of the Carrier's EOI form. The HRO submits the completed EOI application

to the Carrier as instructed by the HQ AFSVA Insurance Branch and suspenses a copy for follow-up in 3 weeks. If a response or decision is not received within this period, the HRO checks the status of the EOI form online at the Carrier's website or calls the Carrier directly.

5.8.2.2. The HRO also instructs the employee to complete an enrollment card and a beneficiary designation card, and suspenses both cards with the employee's EOI form until the Carrier approves, disapproves, or closes out the request for coverage.

5.8.2.3. The Carrier will correspond with the employee/dependent directly if it suspends the EOI review (application) for any reason. The person(s) must comply with the request in order for the Carrier to resume EOI consideration. After the Carrier receives the necessary information, it will notify the HRO and EOI applicant(s) of its final decision in writing. Otherwise, the Carrier will closeout the EOI application for no response/incomplete data.

5.8.2.4. If the Carrier *approves* coverage, file the completed enrollment and beneficiary cards, the EOI form, and the Carrier decision notice in the employee's OPF. Inform the employee that group coverage is effective only for the individual(s) whose EOI is approved by the Carrier as follows: (1) If the EOI is approved on the first day of a month, coverage is effective on that day; (2) if the EOI is approved on any other day of the month, coverage is effective the first day of the next month. See the SPD for more details. ***NOTE:*** A dependent's coverage cannot take effect unless the employee's coverage is also effective.

5.8.2.5. Process AF Form 2545 to Start or Change Payroll Deductions. Process an AF Form 2545 in DCPDS to start, or change, an employee's payroll deductions for group life premiums; use the applicable plan code provided by the HQ AFSVA Insurance Branch. Determine the appropriate effective date of coverage using the EOI approval rules discussed in paragraph 7.2.4 above. File a copy of the personnel form in the employee's OPF.

5.8.2.6. If the Carrier *denies* coverage or informs the HRO that the applicant's EOI status is incomplete, notify the employee/dependents they are not covered under the Plan and destroy the previously-completed enrollment and beneficiary designation cards, as applicable.

5.8.3. Special Enrollment Instructions Related to Military Furlough. Employees on military furlough who either (1) elected to cancel coverage prior to the start of their military furlough period or (2) converted to an individual policy with the Carrier when their 12-month military furlough (LWOP) period expired, may immediately enroll themselves and their dependents in the Plan within 30 days of returning to NAF employment status. The effective date of group life coverage is the date the employee resumes NAF employment, provided he/she has completed and returned an enrollment card to the HRO within the 30-day period. If the employee fails to re-enroll himself/herself and eligible dependents in the Plan within 30 days of resuming NAF employment, then they will have to submit an EOI application to the Carrier for approval before coverage can begin. See additional guidance on military furlough in paragraphs 14 through 14.2.6. In this AFI.

5.8.4. Determining Amount of Employee Life Insurance and Corresponding Class Code.

5.8.4.1. The Carrier uses the basic yearly earnings (BYE) criteria described in the SPD to calculate an employee's life insurance benefit. Active employees fall into two basic categories: (1) Employees whose BYE is \$48,000 or less; or (2) employees whose BYE is more than \$48,000. Consequently, the amount of an employee's life insurance depends on which BYE category he/she falls under.

5.8.4.1.1. For employees whose BYE is \$48,000 or less, the amount of life insurance is either: the lesser of the BYE, rounded to the next higher \$1,000 multiple (if not already an even multiple thereof), times one and one-half; or \$50,000. See below example in paragraph 7.4.2.1.

5.8.4.1.2. For employees whose BYE is more than \$48,000, the amount of life insurance is one times the BYE, rounded to the next higher \$1,000 multiple (if not already an even multiple thereof), plus \$2,000. See below example in paragraph 7.4.2.4.

5.8.4.2. To determine an employee's life insurance amount, calculate his/her BYE as explained in the following **EXAMPLES**:

5.8.4.2.1. To calculate the BYE, multiply the employee's first-shift hourly rate by 2080 ("*2080*" is the factor used to calculate the amount of work hours annually for life insurance purposes) and round the dollar amount up to the next higher \$1,000 multiple (if not already an even \$1,000 multiple thereof), times one and one-half.

EXAMPLE: $\$15.85 \times 2080 = \$32,968$ BYE. Round to next higher \$1,000 multiple, or \$33,000. Multiply \$33,000 by 1.5 = \$49,500. \$49,500 = Life insurance amount.

5.8.4.2.2. If the employee's BYE results in an even thousand dollar multiple, e.g., \$13,000, do not round the amount up to the next higher \$1,000 multiple. Instead, multiply the resulting even thousand dollar multiple (e.g., \$13,000) times one and one-half.

EXAMPLE: $\$6.25 \times 2080 = \$13,000$ BYE. Since \$13,000 is an even thousand dollar multiple already, it is not rounded-up. Instead, multiply \$13,000 by 1.5 = \$19,500. \$19,500 = Life insurance amount.

5.8.4.2.3. Employees whose BYE is more than \$33,000, but not more than \$48,000, are automatically covered for \$50,000 life insurance.

5.8.4.2.4. For employees whose BYE is more than \$48,000, the amount of life insurance is the amount of the BYE rounded to the next higher \$1,000 multiple (if not already an even \$1,000 multiple thereof), plus \$2,000.

EXAMPLE: $\$25.25 \times 2080 = \$52,520$ BYE. Round to next higher \$1,000 multiple, or \$53,000. Take \$53,000 and add \$2,000 = \$55,000. \$55,000 = Life insurance amount.

OR

EXAMPLE: \$25.00 x 2080 = \$52,000 BYE. Since \$52,000 is an even thousand dollar multiple already, it is not rounded-up. Instead, take \$52,000 and add \$2,000 = \$54,000. \$54,000 = Life insurance amount.

5.8.4.3. HQ AFSVA Insurance Branch will provide on request and post a copy of the BYE salary range/life insurance class codes on the HQAFSVA website for processing group life-related AF Forms 2545 in DCPDS.

5.9. Processing Waivers of Enrollment.

5.9.1. If an employee initially waives coverage during the 30-day waiting period or when first eligible, the employee and HRO must complete a waiver of coverage card. Document the waiver on an AF Form 2545 in DCPDS. File the waiver card and a copy of the personnel form in the employee's OPF.

5.9.2. Should the employee and dependents (if applicable) later desire to enroll in the Plan, they must first submit an approved EOI application to the Carrier before coverage can take effect. See the appropriate sections in the SPD and [paragraphs 7.2 through 7.2.6](#) in this AFI for more information about the Late Enrollment EOI process.

5.10. Processing Cancellations of Coverage.

5.10.1. HRO will use AF Form 2545 in DCPDS to notify the HQ AFSVA SSC of an employee's cancellation of group life insurance when they request to discontinue coverage, terminate or separate from NAF employment, or change to an ineligible employment category. An employee does not pay a premium in the pay period during which the cancellation of coverage occurs.

5.10.1.1. Discontinuing Coverage. If the employee elects to cancel all or only a portion of his/her group life coverage (e.g., cancel FML only), the employee and HRO must complete a discontinuance of coverage card. The HRO files the card in the employee's OPF. The effective date for each transaction follows:

5.10.1.2. For voluntary cancellation of coverage, cancel the insurance effective with the date the employee signed the discontinuance card.

5.10.1.3. For termination/separation from NAF employment or change to an ineligible category, cancel coverage effective with either the date of the employee's termination/separation or the date of the category change to flex; whichever is applicable.

5.10.1.4. For cancellations of coverage for employees who are on approved LWOP or military furlough, see separate instructions in paragraphs 14 and 15 of this AFI.

5.11. Processing Name Changes.

5.11.1. The HRO will use AF Form 2545 in DCPDS to notify the HQ AFSVA SSC of employee personal data changes. The HRO will verify name change using applicable legal documentation. The employee and the HRO also must complete new enrollment/beneficiary designation cards reflecting the employee's new name. File the legal information/cards in the employee's OPF.

5.12. Processing Transfers.

5.12.1. The HRO determines if a transferring employee meets the eligibility criteria to continue participation in the Plan at the gaining installation.

5.12.1.1. Transfers Without A Break In Service. If an enrolled employee transfers *without a break in service*, coverage continues without interruption and the employee is not subject to the 30-day waiting period for enrollment purposes. The transfer AF Form 2545 should reflect continuing group life coverage if the employee had it at his or her previous duty station. The employee does not need to complete new enrollment and beneficiary cards at the gaining installation since there is no break in coverage. However, the employee may choose to review his/her beneficiary designation information to ensure it is still current. Notify the HQ AFSVA SSC of the transfer-in enrollment action using AF Form 2545 in DCPDS to start payroll deductions. **NOTE:** The employee may continue in the same type of coverage at the gaining installation as he/she had previously at the former installation. For example, if the employee had employee-only coverage at the former installation, he/she may continue in employee-only coverage at the gaining installation. The employee may not change or increase to employee-with-family member coverage at the gaining installation unless, at the time of transfer, the employee experienced a change in family status (e.g., marriage or birth/adoption of a child), or the dependent(s) was newly approved for coverage by the Carrier under EOI.

5.12.1.2. Transfer Between NAFIs Occurring in Two Different, But Successive Pay Periods. If the termination of employment from the losing installation and subsequent employment with the gaining installation occur in two different but successive pay periods, a full premium payment is made for each pay period at the respective installation.

5.12.1.3. Transfer Between NAFIs Occurring In Same Pay Period. If the termination of employment from the losing installation and subsequent employment in the gaining installation occur in the same pay period, a full premium payment for the pay period is made by the gaining installation. If premiums are deducted by both installations, the losing installation will refund the erroneous premium deductions to the employee and gaining installation.

5.12.1.4. Transfers With A Break In Service. If an enrolled employee transfers *with a break in service of one or more workdays*, determine if the employee is still eligible for the Plan at the gaining installation. If the employee, including dependents, does not meet the eligibility criteria outlined in this AFI and the SPD, they may not enroll in the Plan. If the employee is not eligible to continue participation in the Plan, HRO will notify the HQ AFSVA SSC of the life insurance cancellation using AF Form 2545 in DCPDS; this action will stop payroll deductions. File a copy of the personnel form in the employee's OPF. Otherwise, if the employee (and dependents) is eligible for participation, follow the appropriate guidance in this AFI for enrolling the employee/dependents in the Plan based on their reason for eligibility (e.g., new appointment, change to regular category, approved EOI, etc.).

5.13. Waiver of Premium Due to Total Disability.

5.13.1. When an employee provides the HRO with written notice of permanent and total disability, determine his/her eligibility for waiver of premium for life insurance according

to the SPD. The SPD contains important age criteria, application timelines, and other detailed requirements. The waiver of premium benefit does not pertain to AD&D coverage or FML coverage, as explained below.

5.13.1.1. Waiver of Premium Application. Waivers of premium-disability coverage are employee-initiated and must be submitted with the appropriate claim forms/supporting evidence to the Carrier as instructed by the HQ AFSVA Insurance Branch. (*Go to the HQ AFSVA website for electronic copies of the waiver of premium claim forms or request copies through the HQ AFSVA Insurance Branch.*)

5.13.1.2. Employee/Employer Premiums During Waiver of Premium Application Process. While the waiver of premium application is being considered, the employee and employer continue paying biweekly premiums in case the claim is denied (to avoid a lapse in coverage). In a few weeks, the Carrier will send notice of approval or disapproval to the employee and HRO based on the employee's claim application.

5.13.1.2.1. If approved, the HRO processes an AF Form 2545 in DCPDS to discontinue employee and employer contributions while the employee is disabled, and also annotates on the personnel form that the employee is under waiver of premium-disability life coverage.

5.13.1.2.2. If disapproved, the employee and employer continue paying the required premiums so coverage will remain in force without interruption.

5.13.1.2.3. The AD&D portion of the employee's coverage and FML coverage (if applicable) will cease while the employee is under the waiver of premium-disability coverage. The FML coverage for dependents may be converted to an individual policy with the Carrier while the employee is on waiver of premium-disability. The AD&D coverage, however, may not be converted and remains inactive for the duration that the employee is on waiver of premium. For these and other special provisions that apply under waiver of premium, refer to the SPD.

5.13.1.2.4. After the employee is approved for waiver of premium, the Carrier will periodically request proof of continued disability. The employee must comply with the Carrier's request in a timely manner; otherwise, waiver of premium coverage stops. Waiver of premium coverage also stops if the employee is no longer totally disabled or recovers and returns to work.

5.13.1.2.5. Should the employee pass away while on waiver of premium-disability coverage, contact the HQ AFSVA Insurance Branch for special guidance on e-claim filing procedures.

5.13.1.3. Disability–Income Replacement Clause. Other than the waiver of premium-disability coverage discussed above, the Plan does not have a disability clause which would allow employees to receive payments while out on disability. The Plan does not offer an income replacement provision for disability. Instead, in place of short or long term disability insurance, employees may use their annual or sick leave to be paid during the period of their disability; or if applicable, they may request approval through their supervisors and the HRO to be placed on LWOP.

Employees may also go through their supervisors and HRO to solicit leave donations from eligible NAF employees to offset time away from duty.

5.14. Beneficiary Designations/Changes.

5.14.1. HRO will advise employees to designate their beneficiary(ies) on a beneficiary designation card upon enrolling in the Plan. Refer to the SPD and/or check with the HQ AFSVA Insurance Branch for acceptable beneficiary designations. If the employee's beneficiary information appears to be valid, file the card in his/her OPF. After initial enrollment, employees may update their beneficiary information anytime. Employees should keep their beneficiary designation(s) current and update this information at least annually or upon a life-changing event. In the event of the employee's death, the Carrier will pay the benefit according to the information listed on the most current beneficiary designation card.

5.15. LWOP—Continuation of Insurance Coverage.

5.15.1. During approved LWOP (or absence-without-pay), an employee may elect to continue coverage under the Plan, provided the *employee* continues to pay the required *employee share* of the premium. Consequently, the *employer* (NAFI) will continue to pay the *employer's share*. This LWOP provision for insurance continuation also applies to employees placed on Workers' Compensation for a work-related accident or injury.

5.15.2. LWOP. The maximum period an employee may remain in the Plan during a period of LWOP, for reasons other than illness or injury, is limited to 12 months.

5.15.2.1. The HRO should counsel the supervisor and employee prior to the LWOP period about continuing participation in the Plan and the termination of coverage due to nonpayment of premiums, as well as reinstatement of coverage opportunities.

5.15.2.2. When an employee in LWOP status fails to pay required premiums, the HRO cancels group life coverage effective on the first day of the pay period following the pay period in which the employee failed to make a premium. Notify the HQ AFSVA SSC of the coverage cancellation using AF Form 2545 in DCPDS. File a copy of the personnel form in the employee's OPF.

5.15.3. Losing Coverage. Any employee losing group coverage due to the nonpayment of premiums is not eligible for continuing coverage and may not re-enroll in the Plan until such time as EOI is approved by the Carrier. This includes dependents if the employee was enrolled in FML coverage at the time of loss.

5.15.4. LWOP Due to Transfer With Head of Household. Regular employees on LWOP due to transfer with head of household are entitled to remain in the Plan for up to 150 days to avoid a break in service. The HRO should counsel employees prior to departure about continuing participation in the Plan while on LWOP, continuing coverage programs upon expiration of the LWOP, termination of coverage due to nonpayment of premiums, as well as reinstatement of coverage opportunities.

5.15.4.1. If an employee *does not elect* to continue participation in the Plan, the employee and HRO need to complete a discontinuance of coverage card. The HRO notifies the HQ AFSVA SSC of the employee's cancellation of group life coverage using AF Form 2545 in DCPDS. The effective date of cancellation is the date the

employee signs the discontinuance card. File the discontinuance card and a copy of the personnel form in the employee's OPF.

5.15.4.2. If an employee *elects* to continue participation in the Plan, the HRO will suspense a copy of the employee's life enrollment card for 150 days, and follow the guidance below.

5.15.4.2.1. The HRO notifies the HQ AFSVA SSC to separate the employee from NAF employment when the employee reaches the end of the 150-day LWOP period, unless a gaining installation contacts the losing installation to request the employee's OPF for purposes of continuing his/her life coverage without a break. (*Contact the HQ AFSVA Insurance Branch for special guidance for continuing the employee's coverage at the gaining installation without interruption.*) Otherwise, upon the expiration of the 150-day LWOP period, process an AF Form 2545 within DCPDS separating the employee from NAF employment; and at that point, coverage ceases effective on the date the employee lost LWOP eligibility. File the life enrollment card and a copy of the personnel form in the employee's OPF.

5.15.4.2.2. If the employee fails to pay required premiums during the 150-day LWOP period, process an AF Form 2545 in DCPDS to cancel coverage effective on the first day of the pay period after the pay period he/she failed to make a payment. File the life enrollment card and a copy of the personnel form in the employee's OPF.

5.15.4.2.3. If an employee is rehired in an eligible employment category before the expiration of the LWOP, verify with the losing HRO that the employee made all required premium payments and that coverage was not terminated.

5.15.4.2.3.1. If the employee's account *is* current, the gaining HRO requests the employee's OPF from the losing HRO. Since group life coverage will remain in force, the employee is not required to complete new enrollment and beneficiary cards at the gaining installation. However, the employee may choose to review his/her beneficiary designation information to ensure it is still current. The gaining HRO notifies the HQ AFSVA SSC of the employee's continued enrollment using AF Form 2545 in DCPDS to start payroll deductions.

5.15.4.2.3.2. If the employee's account *is not* current and coverage has not yet been canceled, and if the employee is still eligible to remain in the Plan, the employee must first pay required retroactive premiums to the losing installation. The gaining HRO verifies with the losing HRO that the employee made all the required payments, and then follows the instructions for notifying the HQ AFSVA SSC of the employee's continued enrollment at the gaining installation as discussed in paragraph 14.4.2.3.1 above.

5.16. Military Furlough. The HRO counsels employees placed on military furlough for enlistment, induction, or recall to extended active duty that they and covered dependents may continue participating in the Plan for a maximum of 12 months following military activation. Under military furlough, the HRO will administer the employee's continuation of coverage

similarly to LWOP actions with the following **EXCEPTION**: Prior to starting the military furlough period, the employee must elect either to cancel or continue his/her participation in the Plan; then the HRO takes action as follows:

5.16.1. If the employee *chooses to cancel* group life coverage while on military furlough, the employee and HRO must complete a discontinuance of coverage card. Cancel the life insurance effective with the date the employee signed the discontinuance card. The HRO files the card in the employee's OPF. Use AF Form 2545 in DCPDS to notify the HQ AFSVA SSC of the employee's cancellation of group life coverage.

5.16.1.1. Advise the employee/dependents that they may immediately reinstate the same coverage they had under the Plan within 30 days of the employee's return to NAF employment with no waiting period. Upon resuming NAF employment, the employee and HRO must complete new life enrollment and beneficiary cards; file both cards in the employee's OPF. The effective date of coverage is the date the employee returns to NAF employment. Use AF Form 2545 in DCPDS to notify the HQ AFSVA SSC of the employee's change in insurance coverage (i.e., reinstatement of group life coverage) and to start payroll deductions.

5.16.1.2. If the employee fails to re-enroll in the Plan within 30 days of resuming NAF employment, then he/she and dependents will have to submit an approved EOI application to the Carrier before coverage can begin. See EOI procedures in [paragraphs 7.2](#) through 7.2.6. of this AFI.

5.16.2. If the employee *chooses to continue* group life coverage while on military furlough, he/she must continue paying the required employee share of the premium. Consequently, the employer (NAFI) will continue paying the employer's share. As long as the respective premium shares continue to be paid, the employee's group life coverage remains in force.

5.16.2.1. The HRO counsels the employee prior to the military furlough period about continuing participation in the Plan and the termination of coverage due to nonpayment of premiums, as well as reinstatement of coverage opportunities.

5.16.2.2. If the employee on military furlough fails to pay the required premiums at any time during the 12-month continuation period, the HRO must cancel coverage due to nonpayment effective with the first day of the pay period following the pay period in which the employee defaulted. Process an AF Form 2545 in DCPDS to notify the HQ AFSVA SSC of the employee's cancellation of group life coverage. File a copy of the personnel form in the employee's OPF.

5.16.3. Losing Coverage. Any employee losing group coverage due to the nonpayment of premiums is not eligible for continuing coverage and may not re-enroll in the Plan until such time as EOI is approved by the Carrier. This includes dependents if the employee was enrolled in FML coverage at the time of loss.

5.16.3.1. Should the employee continue to be carried in a military furlough status beyond the 12month period, his/her group life coverage must cease. Instead, the employee/dependents will be given the opportunity to convert their group coverage to an individual policy if they meet the requirements below.

5.16.3.2. To be eligible for conversion, the employee/dependents must have continued group coverage for the full 12-month military furlough period and paid all required premiums. If so, they may apply for a conversion policy by submitting an application to the Carrier within 31 days after the 12-month continuation period expires. (*Go to the HQ AFSVA website for an electronic copy of the conversion application form or request a copy through the HQ AFSVA Insurance Branch.*) The conversion period may be extended for an additional 60 days if the employee cannot meet the initial 31-day deadline due to difficulties related to military deployment. To initiate the 60-day extension request, the employee, spouse, or close family member must contact the Carrier before the initial 31-day conversion deadline expires. The Carrier must receive the employee's completed conversion application and proof of active military service within the 60-day extension period. From that point on, the Carrier takes over until such time the employee returns to NAF duty. The employee should immediately cancel any conversion policy (if in effect at that time) and re-enroll in the AFNAF Group Life and AD&D Plan within 30 days of returning to NAF duty.

5.16.3.3. Since the employee's group life coverage may not continue beyond the maximum 12-month continuation period, the HRO must notify the HQ AFSVA SSC to cancel it using AF Form 2545 in DCPDS. The effective date of cancellation is the last day of the 12-month period. File a copy of the personnel form in the employee's OPF.

5.16.3.4. If the HRO has to cancel the employee's group life coverage at the end of the 12-month period, inform the employee that it may be reinstated immediately upon his/her return to NAF employment. Follow the group life enrollment instructions in this AFI in paragraphs 15.1.1 through 15.1.2 above.

5.17. Conversion of Group Life Insurance to an Individual Policy.

5.17.1. If an employee losing group life insurance does not qualify for continuing coverage under any of the retiree life programs, the HRO will inform the employee of the conversion privilege as described in the SPD. If the employee also had FML (dependent) coverage in effect at the time of loss, he/she may convert it to an individual policy with the Carrier as well. Before converting, the HRO verifies the employee (and dependents, if applicable) is enrolled in the Plan on the day before losing group eligibility. If the employee is interested in converting coverage (including FML) to an individual policy, have him/her complete a conversion application and send it along with the initial premium to the Carrier within 31 days after loss. (*Go to the HQ AFSVA website for a conversion application form or request a copy through the HQ AFSVA Insurance Branch.*) No medical exam will be required if application for conversion is made to the Carrier within 31 days.

5.18. Performing Routine Insurance Audits/Reconciling Reports.

5.18.1. The HRO will reconcile the biweekly group insurance enrollment/payroll deduction report generated by the HQ AFSVA SSC with life insurance-related actions submitted on AF Forms 2545, and take corrective action in DCPDS or through the HQ AFSVA SSC, as required.

5.18.1.1. For example, the HRO will verify each pay period that employees' payroll deductions correspond with their coverage elections using a detailed group insurance enrollment/deduction report. The payroll report will match the enrollment data in DCPDS. The HRO will correct any errors in DCPDS and notify or coordinate with the HQ AFSVA SSC for resolution accordingly.

5.18.1.2. Employee Premium Shortages. The HRO coordinates with the HQ AFSVA SSC using whatever means available to immediately inform an employee when pay is insufficient to cover his/her group life premiums. In addition, the HRO will:

5.18.1.2.1. Instruct the employee to pay the shortage by the next pay period following the pay period in which the shortage occurred.

5.18.1.2.2. Notify the HQ AFSVA SSC when the employee failed to timely pay the shortage as instructed. The HRO also notifies the employee that coverage is canceled due to nonpayment of premiums.

5.18.1.3. The HRO processes an AF Form 2545 in DCPDS to notify the HQ AFSVA SSC of the employee's cancellation of group life coverage. The effective date of cancellation is the first day of the pay period immediately following the pay period in which the shortage occurred. File a copy of the personnel form in the employee's OPF.

5.18.1.3.1. Losing Coverage. Any employee losing group coverage due to the nonpayment of premiums is not eligible for continuing coverage and may not re-enroll in the Plan until such time as an EOI application is approved by the Carrier. This includes dependents if the employee was enrolled in FML coverage at the time of loss.

5.18.1.4. As long as employees continue to pay their share of the premium, the employer (NAFI) continues to pay the employer share. Coverage remains in effect as long as the respective shares are paid.

6. HQ AFSVA Insurance Branch. The HQ AFSVA Insurance Branch announces plan changes, reviews, sets and implements contribution rates, as applicable, based on Carrier premiums, claims utilization, and participant demographics.

6.1. Current Rates. Basic Life and AD&D coverage is contributory; the current cost shares are:

6.1.1. Active employees pay 54% of the total premium, and the cost share for the employing Nonappropriated Fund Instrumentality (NAFI) is 46% of the total premium. The employee pays 100% of the cost of FML coverage.

6.1.2. Eligible former employees/retirees pay the entire cost of basic life coverage, as appropriate, for their class with one **EXCEPTION**: if an individual qualified for non-contributory continuing coverage upon meeting the minimum age/participation requirements, basic life coverage is free.

6.2. The HQ AFSVA Insurance Branch forwards approved rates to HROs, the HQ AFSVA SSC, and other HQ AFSVA functional offices for implementation.

6.2.1. The HQ AFSVA SSC updates tables and processes the approved premium rates for active employees.

6.3. Plan Changes. The HQ AFSVA Insurance Branch announces any information on benefit or plan changes, as required. The HRO handles plan communications for insured active employees and their covered dependents. The HQ AFSVA Insurance Branch publicizes plan communications for former employees/retirees enrolled in continuing coverage.

6.4. Providing guidance on accelerated benefits. The Carrier offers an accelerated (advanced) death benefit if a participant's life expectancy is twelve months or less due to a terminal condition caused by sickness or accident. (See SPD for more details and any restrictions or fees that apply to this benefit.) If the HRO determines that a participant potentially qualifies for accelerated benefits, have the attending physician submit written proof of the individual's terminal condition to the Carrier for immediate consideration. Contact the HQ AFSVA Insurance Branch for the required claim forms and special guidance on e-claim filing procedures.

6.5. Continuing Coverage Programs. Employees losing coverage because of resignation, retirement, separation, termination, base closure, business based action (BBA), or reclassification to an ineligible employment category, etc., may be eligible to continue coverage under the Group Life Plan as described below. Should an employee lose coverage due to removal for cause/gross misconduct, contact the HQ AFSVA Insurance Branch for special instructions and available continuation options.

6.5.1. Continuing Coverage Under the Group Life Plan. Employees losing eligibility for any of the reasons listed above may continue basic life insurance, but not AD&D, under either of two retiree programs, if they are enrolled in the Plan at the time coverage ends, and they also meet the minimum age/participation criteria, and in some cases, service requirements. Under the two retiree programs, the amount of basic life insurance reduces at certain age levels. Refer to the SPD for more information on these age-related benefit reductions and program eligibility requirements.

6.5.1.2. Eligibility for Former Employees/Retirees for Non-Contributory Coverage. To qualify, former employees/retirees must be enrolled in the Plan on the day before loss of coverage, be age 62 and older with at least 15 years (cumulative total) of participation in the Plan. Former employees/retirees pay no premium for this continuing coverage (*100% Non-contributory*).

6.5.1.2. Eligibility for Former Employees/Retirees for Contributory Coverage. To qualify, former employees/retirees must be enrolled in the Plan on the day before loss of coverage, be age 52 and older with at least 5 years (cumulative total) of participation in the Plan; or be age 50 and older with at least 5 years (cumulative total) of participation in the Plan and at least 20 years of regular AFNAF service who have been involuntarily terminated, other than for cause; or be under age 52 with at least 5 years (cumulative total) of participation in the Plan and at least 25 years of regular AFNAF service who have been involuntarily terminated, other than for cause. Former employees/retirees pay the full premium cost of this continuing coverage (*100% Contributory*).

6.5.1.3. Required Documentation. If a former employee/retiree qualifies for continuing coverage under either the non-contributory or contributory retiree life program, send the required documentation using an HRO checklist to the HQ AFSVA Insurance Branch within 30 days of the date of eligibility. *Go to the HQ AFSVA website for an electronic copy of the checklist or request it through the HQ AFSVA Insurance Branch.*

7. HQ AFSVA Shared Service Center (SSC).

7.1. Processing Personnel Forms Within Payroll System in the following ways:

7.1.1. The HQ AFSVA SSC processes transactions through DCPDS that begin, cancel, or change the employee and employer payroll deductions for group life coverage.

7.1.2. For cancellations and terminations, including discontinuance of coverage at an employee's request, do not deduct employee and employer premiums for the last pay period that the insurance was in effect.

7.1.2.1. For enrollments, payroll deductions start in the same pay period that an employee's coverage is effective.

7.1.3. The HQ AFSVA SSC also processes any other life insurance-related actions based upon information received from DCPDS. The effective date of the personnel form determines when deductions for coverage start, stop, or change.

7.1.3.1. For a change that increases coverage (from single to family coverage, or from low option to high option FML), payroll deductions for the increased coverage begin with the pay period during which the change becomes effective. The effective date of the insurance change depends on the event that prompted the employee's opportunity to increase coverage such as a newly eligible dependent due to marriage, birth/adoption of a child, or enrollment as a full-time student.

7.1.3.2. For a change that decreases coverage (from family to single coverage, or from high option to low option FML), do not deduct employee and employer premiums for family or high option FML for the last pay period such coverage was in effect. The effective date of the insurance change depends on the event that prompted the employee's opportunity to decrease coverage such as an ineligible dependent, death, divorce, or upon the employee's request.

7.2. Performing Routine Insurance Audits/Reconciling Reports.

7.2.1. The HRO works through DCPDS and the SSC to make corrections as necessary.

7.2.2. If an insurance correction (refund or deduction) applies to *two pay periods or less*, correct errors through the payroll system using current AFSFMS payroll procedures.

7.2.3. If an insurance correction is *for more than two pay periods*, the HQ AFSVA SSC in coordination with the HRO, will provide the following information to the HQ AFSVA Insurance Branch for review and corrective action.

7.2.3.1. Explanation of the problem and include the NAFI Cash Management Investment Program (CMIP) number and the pay periods involved.

7.2.3.2. Copies of the AF Form 2545 reflecting the effective date of the “incorrect” information (group insurance plan code or effective date, etc.) and the AF Form 2545 reflecting the effective date of the “correction.” Also include copies of supporting documents reflecting the employee’s enrollment, change, cancellation, or waiver of insurance, as applicable.

7.2.3.4. Worksheet indicating, by pay period, the amounts actually paid by the employee and employer, along with the amounts that should have been paid by both parties. (Take into account any rate changes that may have occurred under the Plan.)

7.2.3.5. Name, social security number, and home address of the employee involved.

7.3. Corrective Action.

7.3.1. The HRO will notify the employee of the corrective action, including the related refund or retroactive amount due, and the procedures for requesting a waiver of indebtedness (AFMAN 34-212, Chapter 2).

7.4. Contribution Shortages.

7.4.1. HQ AFSVA SSC will coordinate with the HRO, and review any available arrearage/shortage reports generated by the HQ AFSVA SSC, and also initiate some method of contact or notice when an employee’s pay is insufficient to cover his/her share of the group life premium. This is especially important as premium arrearages/shortages typically occur when an employee goes on LWOP (including LWOP related to workers’ compensation) or furlough.

7.4.1.1. If the employee *pays the shortage* no later than the pay period following the one in which the shortage occurred, the HQ AFSVA SSC processes the collection for the next pay period. Coverage continues without interruption.

7.4.1.2. If the employee *fails to pay the shortage* by the pay period following the one in which the shortage occurred, the HRO contacts the employee to determine payment status. If no resolution occurs, the HRO immediately cancels coverage due to nonpayment, as explained below.

7.4.1.2.1. The effective date of cancellation is the first day of the pay period immediately following the default pay period. The HRO will process an AF Form 2545 in DCPDS to notify the HQ AFSVA SSC of the employee’s cancellation of group life coverage and will file a copy of the personnel form in the employee’s OPF.

7.5. Reviewing Eligibility During LWOP.

7.5.1. Employees may continue coverage in the Plan during a period of approved LWOP, provided they continue to pay their share of the employee premium; consequently, the employer NAFI continues to pay the employer’s share. Coverage remains in effect as long as the respective shares are paid.

7.5.1.1. The HRO will coordinate with the HQ AFSVA SSC when an employee on LWOP fails to pay the required premiums or reaches the maximum period for participation as defined below.

7.5.1.2. An employee on LWOP (for reasons other than illness or injury) is entitled to remain in the Plan for 12 months unless the HQ AFSVA Insurance Branch grants an extension.

7.5.1.3. An employee on LWOP due to transfer with head of household is entitled to remain in the Plan for a maximum of 150 calendar days.

7.5.1.4. An employee on LWOP due to military furlough is entitled to remain in the Plan for a maximum of 12 months. The HRO monitors the deductions for the duration of the military furlough, and follows the processing procedures in [paragraphs 5.15](#) of this AFI.

8. Prescribed and Adopted Forms.

8.1. Prescribed Forms:

AF Form 847, *Recommendation for Change of Publication*

8.2. Adopted Forms:

AF Form 2545, *Notification of Personnel Action*

RICHARD Y. NEWTON III
Lieutenant General, USAF
DCS, Manpower and Personnel

Attachment 1**GLOSSARY OF REFERENCES*****References***

DOD Directive 1400.25, *Department of Defense Civilian Personnel System*, 21 Jun 2009

AFPD 34-3, *Nonappropriated Funds personnel Management and Administration*, 10 September 1993

AFMAN 34-212, *Control Procedures For Protecting NAF Assets*, 01 September 1995

AFMAN 34-310, *Nonappropriated Fund Personnel Program Management and Administration Procedures*, 1 December 1995

Abbreviations and Acronyms

AD&D—Accidental Death and Dismemberment

AFI—Air Force Instruction

AFIF—Air Force Insurance Fund

AFMAN—Air Force Manual

AFNAF—Air Force Nonappropriated Fund

AFRIMS—Air Force Records Information Management System

AFSFMS—Air Force Services Financial Management System (Payroll System)

APF—Appropriated Fund

BBA—Business Based Action

BYE—Basic Yearly Earnings

CMIP—Cash Management Investment Program

DCPDS—Defense Civilian Personnel Data System

EOI—Evidence of Insurability

FEGLI—Federal Employees Group Life Insurance

FML—Family-Member Life

HQ AFSVA/SVXHI—Headquarters, Air Force Services Agency (HQ AFSVA Insurance Branch)

HRO—Human Resources Office

LES—Leave and Earnings Statement

LWOP—Leave Without Pay

NAF—Nonappropriated Fund

NAFI—Nonappropriated Fund Instrumentality

OPF—Official Personnel Folder

SPD—Summary Plan Description

SSC—HQ AFSVA Shared Service Center (Payroll Branch)